



Supported by Department of Primary Industries and Regional Development

Mid West Development  
**Commission**

**ANNUAL REPORT**  
**2019-20**



**Walga Rock, Cue - part of the Murchison GeoRegion**

*Credit: Rob Mulally and Georgia Rickard*

**The Mid West Development Commission acknowledges the Yamatji people as the traditional owners of the Mid West region. This includes the Amangu people, Naaguja people, Wadjarri people, Nanda people, Badimia people and the Martu people.**

**We recognise their continuing connection to land, waters and community and pay our respects to them and their cultures; and to elders, both past, present and emerging.**

**Cover: Kalbarri Skywalk**

*Credit: Bocol Constructions*

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# STATEMENT OF COMPLIANCE

For year ended 30 June 2020

**HON ALANNAH MACTIERNAN MLC**

**MINISTER FOR REGIONAL DEVELOPMENT**

In accordance with section 63 of the Financial Management Act 2006, we hereby submit for your information and presentation to Parliament, the Annual Report of the Mid West Development Commission for the financial year ended 30 June 2020.

The Annual Report has been prepared in accordance with the provisions of the Financial Management Act 2006.



**Tim Glenister**  
**CHAIRMAN**  
**17 September 2020**



**GAVIN TREASURE**  
**CHIEF EXECUTIVE OFFICER**  
**17 September 2020**



Beresford Foreshore, Geraldton

Credit: Dragonfly Media

# OVERVIEW

## EXECUTIVE SUMMARY

### Performance Highlights

Key achievements during 2019-20 include the following, which are described further in Agency Performance.

- 1. *Regional Economic Development (RED) Grants Program:*** Administered Round 2 of the program with seven recipients awarded grants to the value of \$813,121.
- 2. *COVID-19 response:*** Used our regional networks to gather ongoing intelligence about regional impacts from the pandemic to inform policy responses from government.
- 3. *Energy:*** Significant progress made on the development of the Kalbarri micro-grid with construction starting on site. This was a key project identified, supported and advocated by MWDC under its Mid West Energy Development Strategy.
- 4. *Renewable hydrogen:*** MWDC facilitated discussion and regional support for a number of potential renewable hydrogen proponents during the year'. BP received ARENA funding to support detailed feasibility work for Project GERI, meaning the potential to develop a renewable ammonia (and hydrogen) industry in Geraldton will be fully evaluated.

5. **Oakajee and resources:** Establishing the Oakajee Strategic Industrial Area (OSIA) is as a key strategic priority for the State government and MWDC to appropriately locate renewable hydrogen operations, minerals processing and manufacturing interests.
6. **Mid West Food Industries Cluster:** MWDC established a Mid West Food Industries Cluster to develop and implement a strategic plan for the recognition and growth of the region's food industries.
7. **Local content:** Supported numerous Mid West Aboriginal businesses, with four obtaining nine State Government contracts valued at over \$7.8 million. MWDC had significant input into the recently released WA Industry Participation Strategy (WAIPS), Buy Local Policy, Procurement Reform Initiative and Regional Sourcing Strategy.

## 8. **Tourism:**

*Kalbarri Skywalks and National Park Infrastructure project:* Administered \$20M of State government funding for the project, which is now complete with sites opened to the public. Economic impacts expected to exceed high growth projections.

*Murchison Geotourism Development:* Supported development of stage one. This will be Australia's first major geotourism development, to be launched on 18 September 2020.

*Sustainable Development of the Abrolhos Islands:* Supported business case development (stage 2) and helped businesses with product development and processes navigation.

*Pink lake (Hutt Lagoon):* Progressed a Visitor Infrastructure Plan with the Hutt River Traditional Owners to be implemented under Indigenous Land Use Agreement (ILUA). Commenced Management Plan process for Pink Lake and Lucky Bay under the ILUA in partnership with the Yamati Nation interim Board.

*Tourism Geraldton Mid West.* Provided executive support to the industry-led tourism stakeholder group to foster greater collaboration and relationships between all tourism stakeholders and develop the group into a cooperative.

9. **Space economy regional benefits:** Developed a Mid West space economy regional benefits package to leverage regional economic development benefits from the Square Kilometre Array (SKA) and Mingenew Space Precinct.
10. **Aquaculture development:** Supported proponents in the emerging oyster industry at the Abrolhos Islands. Also supported Huon Aquaculture to identify constraints and opportunities to enable their proposed Yellowtail Kingfish sea cage lease, which will commence in alignment with completion of the Department of Primary Industries and Regional Development (DPIRD) finfish nursery in Geraldton.
11. **Southern Rangelands revitalisation:** Assisted the Rangelands Fibre and Produce Association to expand and drive a development agenda to revitalise the Southern Rangelands.

- 12. Mid West Investment Plan:** Supported five funded projects; Kalbarri Skywalks; Dongara to Northampton strategic corridor planning study; Beresford Foreshore coastal protection and enhancement project; replacement of Ballinyoo Bridge over the Murchison River; and Batavia Coast Marina Stage 2 investigations, remediation and planning.
- 13. Geraldton Tourism Jetty Infrastructure Project:** Led development of a business case, engineering and economic modelling to establish two high speed vessel jetties to support Abrolhos Islands tourism and other commercial maritime ventures. This was used to secure \$3M for delivery, which would provide economic benefits to the region of \$16.5M.
- 14. Mid West and Pilbara Machinery, Engineering and Technical Services (METS):** After significant stakeholder engagement, MWDC scoped a 12-month staged trial to test regional capacity to supply heavy diesel mechanical refit and rebuilding services for large machines sourced from the Pilbara. Incorporates a training pathway to qualify regional mechanics.
- 15. Mid West Strategic Infrastructure:** Consulted with stakeholders of the Goldfields Highway project to determine its value to community and industry, and to raise the profile of the project among decision makers. Supported Main Roads WA to progress a Stage 1 Infrastructure Australia submission to enable triple road train access on the Carnarvon to Muchea route.
- 16. Digital connectivity:** The Digital Farm Grant Program provided \$2M across agricultural areas of the Mid West and into the Wheatbelt. Using 100% local content, world-class fixed wireless internet services are delivering speeds of more than 200Mbps to farms. The Mid West also attracted a significant share of Mobile Black Spot towers in Round 5A of the Regional Telecommunications Program, with 10 new towers funded across the region.

**Capricorn Space Australian Ground Network – West, Mingenew**

*Credit: Capricorn Space*



## **OPERATIONAL STRUCTURE**

### **Enabling Legislation**

The Mid West Development Commission is a State Government statutory authority governed by a Ministerial appointed Board, inclusive of regional representatives, local government members and Ministerial appointments.

The Commission functions under the provisions of the Regional Development Commissions Act (1993) and is one of nine regional development commissions in Western Australia.

### **Responsible Minister**

Hon Alannah MacTiernan MLC, Minister for Regional Development

### **Organisational Structure**

#### ***Mission***

To deliver jobs and growth by providing coordinated State Government services for regional development, utilising a client focused and collaborative approach in the traded economy.

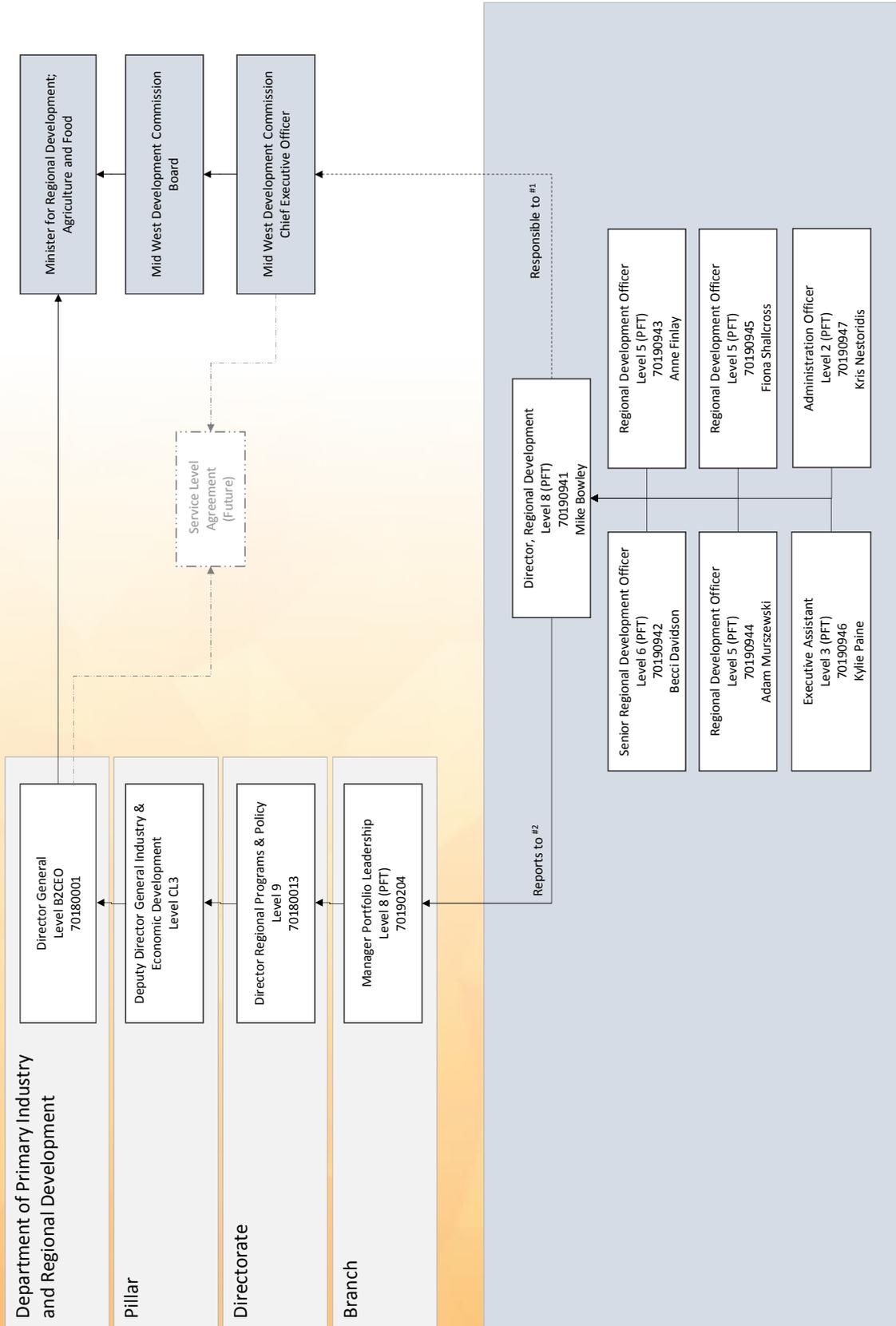
To be recognised as a preferred region in which to live, work, study and invest.

#### ***Strategic Directions***

The Commission's future direction is established under the MWDC 2019-21 Strategic Plan, supported by an annual Business Plan that identifies key project / priority deliverables for each financial period.



## DPIRD organisational structure supporting the Mid West Development Commission



\*All positions based in Geir

Glossary of Position FTE st  
 TFT = Temporary Full time  
 PFT = Permanent Full time  
 TPT = Temporary Part Time  
 PPT = Permanent Part Time

Explanation  
 #1 This position undertakes regional operations in support, and under day-to-day direction, of the CEO (as stated in agreed L8 JDF).  
 #2 Under DPIRD Financial and Human Resource delegations this position reports to the Manager Portfolio Leadership.

## **Board of the Authority**

The Mid West Development Commission is managed by a Board of regional representatives comprising Local Government, Community and Ministerial appointments. The following Board members served during 2019-20. The MWDC Chief Executive Officer is an ex officio member of the Board.



### **Todd West** Chairman

Todd is CEO of Glass Co WA, which is WA's largest regional glass processing and manufacturing facility and has won multiple local and State business awards. 'Wests' has operated in the Mid West since 1968 as a family business. Todd is passionate about developing the vast opportunities that the Mid West and adjoining regions have to offer and advocates for continued infrastructure investment in the regions. Todd joined the Commission Board in 2014, was Vice Chairperson during 2016-17 and was appointed Chairperson as a Ministerial appointment in 2017.



### **Lara Dalton** Deputy Chairman

Lara is an active member of the community and has held executive roles on several schools and not for profit Boards. She was a member of the Governing Body of Leaning Tree Community School for eight years and the Chair for three. Lara has a strong background in hospitality, tourism and training and is currently the Hospitality Lecturer at Central Regional College of TAFE. She coordinates and runs short skills sets for the hospitality industry locally, as well as in remote and regional centres such as Meekatharra and Perenjori. Lara was a Ministerial appointment to the Board in 2017.



### **Craig Patterson** Board member

As Managing Director of civil and earthmoving company Centrals, Craig continues to have a hands-on role in day-to-day operations, focused on building lasting opportunities for local Aboriginal groups. Craig was instrumental in the establishment of the Bayalgu Indigenous Pre-Employment Training Program, an Aboriginal pre-employment initiative, and has previously served as President of the Mid West Chamber of Commerce and Industry. Craig joined the MWDC Board in 2019 as a Community appointment.



### **Mr Shane Van Styn** Board member

Shane is a Fellow of CPA Australia, holds a degree in Accounting and is a registered taxation agent and auditor. He was elected to the City of Greater Geraldton Council in 2011 and in October 2015 was elected the position of Mayor. He has been Chair of Regional Capitals Australia since 2016. His ascension to Mayor fulfilled a lifelong passion of dedication to the service of a regional community. Shane was a Local Government appointment to the Commission Board in 2016 and his term concluded on 19 December 2019.



### **Cr Karen Chappel** Board member

Karen has been Shire President at Morawa since 2009, President of the Northern Country Zone of WALGA, State Councillor of WALGA and was recently awarded a Life Membership of WALGA. She is a Board member of the Local Government Advisory Board, Rural Financial Counselling Services WA, Primary Production Services and Desert Blue Connect. She has a Diploma in Local Government (Elected Member) and is a Graduate of the Australian Institute of Company Directors (AICD). Karen was a Local Government appointment to the Board in 2018.



### **Cr Carole Minney** Board member

Carole is a Community representative on MWDC's Board with support from the Western Australia Centre for Rural Health (WACRH) and Midwest Aboriginal Organisations Alliance (MAOA). Carole is a Malgana Woman from Shark Bay. She lives and works in Mount Magnet and has been a strong voice for the social and economic development of the whole Murchison subregion. Carole has a strong background in health, education, employment, training and Indigenous community engagement. Carole's tenure on the Commission Board as a Community appointment commenced in 2018.



### **Cr Emma Foulkes-Taylor** Board member

Emma and her family live on a sheep station in the Murchison Shire, for which she has been a local government Councillor since 2015. Emma is a committed and active member in both the Murchison and Mullewa communities, with executive roles in several community groups. From tutoring her own children through School of the Air, Emma has a strong interest in rural education. She was President of the Isolated Children's Parents' Association (ICPA) of WA from 2008-2011 and a co-founder of the ICPA Midwest Branch, of which she was President for six years. Emma has completed the AICD Company Director's course and a number of Local Government governance training modules.

## **Senior Officers**



### **Mr Gavin Treasure** Chief Executive Officer

Gavin joined the Commission in October 2012 after eight years as CEO of the Shire of Morawa. He is a certified practising accountant and also holds a Master of Business Administration and Master of Commerce.

## **Administered Legislation**

The Mid West Development Commission also administers the following related Acts:

- Geraldton Foreshore and Marina Development Act 1990
- Geraldton Sailors and Soldiers' Memorial Institute Act 1929
- Geraldton Sailors and Soldiers' Memorial Institute Enabling Act 1934
- Geraldton Sailors and Soldiers' Memorial Institute (Trust Property Disposition) Act 1938

## **Other Key Legislation Impacting on the Mid West Development Commission's Activities**

In the performance of its functions, the Mid West Development Commission complies with the following relevant written laws:

- Regional Development Commissions Act 1993
- Disability Services Act 1993
- Electoral Act 1907
- Equal Opportunity Act 1984
- Financial Management Act 2006
- Freedom of Information Act 1992
- Industrial Relations Act 1979
- Minimum Conditions of Employment Act 1983
- Occupational Safety and Health Act 1984
- Public Interest Disclosure Act 2003
- Public Sector Management Act 1994
- Royalties for Regions Act 2009
- Salaries and Allowances Act 1975
- State Records Act 2000
- State Supply Commission Act 1991
- Workers Compensation and Rehabilitation Act 1981

# PERFORMANCE MANAGEMENT FRAMEWORK

## Outcome Based Management Framework

Broad government goals are supported at agency level by specific outcomes. Agencies deliver services to achieve these outcomes. The following tables illustrate the relationship between the Commission’s services and desired outcomes, and the government goal they contribute to.

Government Goal	Desired Outcome	Services
<p>Stronger Focus on the Regions:</p> <p>Greater focus on service delivery, infrastructure investment and economic development to improve the overall quality of life in remote and regional areas.</p>	<p>An environment conducive to the balanced economic and social development of the Mid West region.</p>	<ol style="list-style-type: none"> <li>1. Information and Advice</li> <li>2. Investment Facilitation</li> <li>3. Infrastructure and Services Development in the Mid West</li> </ol>

### ***Service 1: Information and Advice***

To contribute to economic growth and employment by developing strategic partnerships between government, business and the community, providing a central point of coordination and contact, and by raising awareness of the Mid West region.

### ***Service 2: Investment Facilitation***

To create a business environment within the Mid West region that has a diverse economic base and is attractive to investors.

### ***Service 3: Infrastructure and Services Development in the Mid West***

To facilitate the development of infrastructure and services based on long term economic development strategies, to support communities and businesses in the Mid West.

## Changes to Outcome Based Management Framework

The Commission’s Outcome Based Management Framework did not change during 2019-20.

## Shared Responsibilities with Other Agencies

The Commission did not share any responsibilities with other agencies in 2019-20.

# AGENCY PERFORMANCE



**Wooleen Rock Sunset, Murchison**  
*Credit: Rob Mulally and Georgia Rickard*

# REPORT ON OPERATIONS

The Mid West Development Commission (MWDC) reports across three broad service areas to inform stakeholders of its work, significant activities and future plans to promote the region's further development; namely:

- Information and advice;
- Investment facilitation; and
- Infrastructure and services development.

## Service 1: Information and Advice

The Commission provides a central point of coordination and contact for various economic development and community stakeholders within and outside the Mid West. The agency works in partnership with all tiers of government, business and the community, providing information and advice to maximise economic development and employment opportunities for the region.

MWDC works with stakeholders to raise awareness of the Mid West region, its natural advantages and opportunities and the challenges limiting further development. MWDC shares its networks and knowledge of regional infrastructure (hard and soft) to help activate projects and supports a number of current and legacy State Government funding schemes

## AGENCY ACTIVITIES

### ***Regional Economic Development (RED) Grants***

Administered Round 2 of the Regional Economic Development (RED) Grants Program with seven recipients awarded grants to the value of \$813,121. Refer to the table at the end of this Report on Operations section for details of allocations.

### ***COVID-19 response***

The emergence of a novel coronavirus in 2019 had far-reaching consequences across the economy and on the day to day operation of MWDC. Temporary regional borders at the end of March and hard State borders had impacts for all, but especially in the tourism, hospitality, retail, aviation, construction and crayfishing industries. For MWDC staff, there was a pivot in agency activities in the acute phase, utilising our regional networks to gather ongoing intelligence about regional impacts from the pandemic to inform policy responses from government.

MWDC led the Department of Primary Industries and Regional Development (DPIRD) and Regional Development Commissions (RDC) response to food security issues in regional WA.

## ***Energy***

MWDC supported various applications for funding for the development of micro-grids as a potential to address power reliability issues in various fringe-of-grid locations. There has been further progress on the development of the Kalbarri micro-grid with construction starting on site.

MWDC continues working with Western Power and others to support initiatives to increase power reliability and capacity to grid connected communities in the Mid West, including alternative and renewable energy solutions. This included advocacy to ensure South West Interconnected System (SWIS) development plans catered for anticipated Mid West project activity to remove potential growth constraints.

MWDC also continues to track innovation and changing vehicle fueling choices and seek to support the transport industry to ensure regional provisioning keeps pace with technology changes, eg electric and fuel cell vehicle charging infrastructure.

## ***Renewable Hydrogen***

MWDC has seen an acceleration of interest in the development of a renewable hydrogen industry in the Mid West. With BP receiving ARENA funding to support detailed feasibility work for Project GERI, the potential to develop a renewable ammonia (and hydrogen) industry in Geraldton will be fully evaluated.

MWDC continued to work with the WA Government's Renewable Hydrogen Unit and provided advice on applications into the Renewable Hydrogen Fund from Mid West project proponents. Over the year, MWDC had excellent engagement with Western Power, which hosted a board meeting in Geraldton, providing opportunity to relay critical issues relating to network operations and future connections from community stakeholders.

As the WA Renewable Hydrogen Roadmap gained acceptance, we have supported Mid West renewable hydrogen proponents, through appropriate connection across government and beyond as well as to position the Mid West more broadly, as a significant renewable hydrogen province, given its strategic advantages.

## ***Oakajee and resources***

Establishing the Oakajee Strategic Industrial Area (OSIA) is as a key strategic priority for the State government and MWDC. This will involve decoupling the industrial estate from the earlier Oakajee port plans to develop a new heavy industrial area and supporting infrastructure that helps appropriately locate various regional renewable hydrogen operations, minerals processing and manufacturing interests. MWDC has worked closely with Australian Vanadium, Galena Mining, major infrastructure groups and others looking to progress projects in our region.

There are infrastructure constraints restricting heavy industry access to OSIA, in particular for large road transport. The potential of distributed renewable energy resources (eg wind and solar generation), coastal location of Oakajee and desalination technologies broadens the options for provision of power and water for contemporary industry and may reduce the investment hurdle to activating the estate.

## **Mid West Food Industries Cluster**

MWDC has established a Mid West Food Industries Cluster to develop and implement a strategic plan for the recognition and growth of the region's food industries. A key priority has been to work with Mid West horticultural growers, the Department of Primary Industries and Regional Development, the Department of Water and the Water Corporation to determine the most effective solution for the sustainable/cost effective supply of potable water to facilitate the expansion of the region's horticultural sector.

## **Local content**

MWDC continued to provide a lead role in the state-wide Local Content Initiative. Significant progress was made working with Aboriginal businesses to promote State Government tenders and secure Regional Aboriginal Local Content Fund (LCF) grants, capacity programs and tender writing services. The state-wide Aboriginal procurement policy target was exceeded in 2019-20, with four Mid West Aboriginal businesses successful in obtaining nine Mid West State Government contracts valued at over \$7.8 million.

MWDC provided significant procurement and local content policy input to the recently released WA Industry Participation Strategy (WAIPS), Buy Local Policy, Procurement Reform Initiative and Regional Sourcing Strategy. MWDC also provided a single point of contact for businesses and government agencies on Local Content, with more than 700 government, industry and business contacts made during 2019-20.

**Mid West is Best food branding**

*Credit: Stu Bain*



## Service 2: Investment Facilitation

The Commission supports the development of new industries and the further growth of existing industries, so that the region has a diverse economic base that is attractive to investors. MWDC also provides regional intelligence about investment opportunities for State Government and industry proponents.

## AGENCY ACTIVITIES

### Tourism

- *Kalbarri Skywalks and National Park Infrastructure project:* Administered \$20M of State government funding for the project, with construction finalised by the Department of Biodiversity, Conservation and Attractions (DBCA) and sites opened to the public. The Nanda Aboriginal Corporation commenced operation of the Skywalk kiosk as a joint venture with 28 Villages. Economic impacts expected to exceed the project's high growth projections, with initial visitor numbers roughly double the same period in 2019. Visitor feedback and publicity has been overwhelmingly positive.
- *Murchison Geotourism development:* Worked with the seven Murchison local governments and other stakeholders to develop the Murchison GeoRegion (stage 1), which explores tourism opportunities based on the subregion's geological, biodiversity (flora and fauna) and cultural attributes. The Murchison GeoRegion (21 sites) will be Australia's first major geotourism development, which will be launched on 18 September 2020. The GeoRegion also complements preliminary work undertaken to establish Australia's first Aboriginal astrotourism development, which will capitalise on the Murchison's clear night skies and scarcity of light pollution.
- *Sustainable development of the Abrolhos Islands:* Worked with stakeholders to develop a business case for stage 2 and supported businesses with product development at the Islands and navigating government processes. MWDC participated in State Government working groups including the Interagency Project Team and the Tourism Development and Promotion Team to progress collaborative development at the Islands.
- *Pink lake (Hutt Lagoon):* Progressed a Visitor Infrastructure Plan with the Hutt River Traditional Owners to be implemented under the Indigenous Land Use Agreement (ILUA). Developed a scope for a management plan for Lucky Bay and Pink Lake in consultation with Yamatji Nation Interim Directors and ran a Request for Quotation (RFQ) process. Supported the State's implementation committee for the Southern Yamatji ILUA and reported on progress of MWDC activities noted under the ILUA.
- *Tourism Geraldton Mid West (TGMW).* Provided executive officer support to help the industry led tourism stakeholder group undertake a strategic planning process to transform into a cooperative. Supported the group in identifying game changing tourism initiatives in the region and positioning the TGMW as the representative industry body for the region, capitalising on recent investments (eg Kalbarri Skywalk, Abrolhos Islands).

MWDC has made significant progress on delivering key Tourism projects identified in the Mid West Tourism Development Strategy. All of these projects has and will continue to attract visitors to the region, turning the Mid West into a tourism destination in its own right.

## ***Space economy regional benefits***

MWDC continued its 20 year support of Australia's component of the Square Kilometre Array (SKA) Stage 1 (jointly hosted with South Africa) by developing a Mid West space economy regional benefits package to leverage regional economic development benefits from the SKA and Mingenew Space Precinct. The package seeks funding for in a business case to secure support for:

1. A dedicated SKA interpretive centre at the Murchison Settlement;
2. Sealing of the Carnarvon-Mullewa Road between Mullewa and the Murchison Settlement;
3. A high level concept (precinct) plan for the Mingenew Space Precinct (MSP);
4. Building 'smart' science, R&D, technical capabilities and business development by leveraging off the expertise and activities at the SKA and MSP.
5. Maximising regional involvement and benefit from the SKA Engineering Operations Centre to be developed in Geraldton; and

## ***Aquaculture development***

MWDC worked to develop foundations for the emerging oyster industry at the Abrolhos Islands. With supporting funding from Round 2 RED Grants, two operators (Abrolhos Pearl Oysters and Abrolhos Island Oysters) undertook monitoring trials to secure WA Shellfish Quality Assurance Program (WASQAP) accreditation. This will set the standard for future WASQAP monitoring in the Abrolhos environment, lowering the cost hurdle to operators. Other growth and oyster management systems were also undertaken during this monitoring process to facilitate the start-up of the industry.

Huon Aquaculture has been supported to identify constraints and opportunities to enable their proposed Yellowtail Kingfish (YTK) sea cage lease at the Mid West Aquaculture Development Zone (Abrolhos Islands). This involved the identification of suitable Island-based sites and vessel requirements at the Geraldton Port. Development is scheduled to commence in 2021, in alignment with the completion of the Department of Primary Industries and Regional Development (DPIRD) finfish nursery in Geraldton.

The evolution of the YTK industry in the Mid West recognises years of effort and commitment by Erica Starling and Indian Ocean Fresh Australia as pioneers of the marine aquaculture sector in regional WA.

## ***Southern Rangelands revitalisation***

A Southern Rangelands Forum was proposed for May 2020, but delayed until October due to COVID-19 impacts. The MWDC is assisting the Rangelands Fibre and Produce Association to expand and drive a development agenda to revitalise the Southern Rangelands. They are working together on the formation of a broader grower group representing pastoral businesses and a priority plan for regenerative practice.

## **Service 3: Infrastructure and Services Development in the Mid West**

MWDC works to facilitate further economic development through strategic initiatives that support communities and businesses in the Mid West.

### **AGENCY ACTIVITIES**

#### ***Mid West Investment Plan***

During 2019-20 there five previously funded projects requiring support through delivery and acquittal. Funding totaled \$20.53M to these five projects, with a combined construction value of \$25.45M.

1. Kalbarri Skywalks and National Park infrastructure project.
2. Dongara to Northampton strategic corridor planning study, to provide a fit-for-purpose, alternative coastal route for heavy vehicle traffic flows through the region;
3. Beresford Foreshore coastal protection and enhancement project;
4. Replacement of Ballinyoo Bridge over the Murchison River and extension of the sealing for the southern approach;
5. Site investigations, remediation and planning for the Batavia Coast Marina Stage 2 (BCM2) redevelopment.

#### ***Geraldton Tourism Jetty Infrastructure Project***

MWDC led the development of a business case, engineering and economic modelling for the establishment of high speed vessel jetties at the Batavia Coast Marina and Esplanade to support Abrolhos Islands tourism and other commercial maritime ventures. The business case was finalised in June 2020 and submitted to secure \$3M of savings from the Beresford Foreshore coastal protection and enhancement project.

Analysis indicates a cost benefit ratio of 1:4.64 (3% discount rate), meaning the investment of \$3M would deliver economic benefits to the region of more than \$16.5M (Net Present Value), including 12 FTE construction jobs (nine in Geraldton) and 13 new enduring FTE jobs. It would also leverage millions of dollars in private investment and facilitate new Abrolhos Islands day trip experiences, as well as the \$10M State Government funding for tourism infrastructure at the Abrolhos Islands (stage 1).

## ***Mid West and Pilbara Machinery, Engineering and Technical Services (METS)***

Following extensive stakeholder engagement, MWDC scoped the METS initiative as a 12-month staged trial to test regional capacity around heavy diesel mechanical refit and rebuilding servicing of large machines sourced from the Pilbara. This incorporates a training pathway for regional (Mid West and Pilbara) people (targeting Aboriginal people) interested in becoming skilled and qualified heavy diesel mechanics.

The project will address a significant skills shortage of heavy diesel mechanics particularly in the resources sector, increase region to region connectivity and business linkages and leverages the strong residential METS services sector already operating in the Mid West with labour hire rates comparable to the Perth metropolitan area. A project pitch document was established and key stakeholder engagement (including Government and industry) was initiated. The trial will commence once Rio Tinto and Westrac reaching agreement to commercial terms.

## ***Mid West Strategic Infrastructure***

MWDC consulted extensively with Goldfields Highway key stakeholders to establish the value of the project to industry and communities and to raise its profile among decision makers. MWDC also worked closely with Main Roads WA, local government and industry to progress the development of a Stage 1 Infrastructure Australia submission for the upgrade of the Carnarvon to Muchea route to enable triple road train access (project includes the Dongara Northampton Corridor, the Oakajee Narngulu Infrastructure Corridor, the Geraldton Outer Bypass and the Northampton Bypass). The proposed road linkage (ONIC) between the Narngulu and Oakajee industrial estates remains a key focus, along with the identification and protection of an East-West corridor to unlock mineral resources in the region's hinterland.

## ***Digital Connectivity***

Access to reliable high speed broadband infrastructure has the potential to transform communities and all sectors of the economy. However, because of the distances required to reach many Mid West communities and relatively small population bases, a significant proportion of the region has lived and worked in areas where the availability of high-speed internet connectivity is inadequate by metropolitan standards or even absent altogether.

With early leadership from MWDC, DPIRD has delivered a number of initiatives that have elevated areas of the Mid West from some of the most poorly-served to some of the best-performing areas in the world – especially in the rural agricultural regions.

In 2019-20, the Digital Farm Grant Program provided \$2M across the Shires of Northampton, Chapman Valley, rural areas of the City of Greater Geraldton, Irwin, Mingenew, Carnamah, Morawa, Three Springs, Perenjori, Coorow, and south of the Mid West into the Shire of Dalwallinu (32,000 km<sup>2</sup>). Built and operated by 100% local service providers, new world-class fixed wireless internet services are already delivering speeds of more than 200Mbps to farms (with more than 50% completed as of 30 June 2020) with end-user costs comparable to metropolitan services, many times faster than NBN services.

Mobile connectivity also plays a major role in global-competitiveness. The Mid West has been particularly successful in advocating and attracting a significant share of Mobile Black Spot towers in Round 5A of the Regional Telecommunications Program, with 10 new towers funded across the region in April 2020.



**Digi Farms launch, Chapman Valley**

*Credit: Rob Smallwood*

## **Regional Economic Development Scheme (REDS)**

MWDC supported the following eight projects for funding from the State Government's Regional Economic Development (RED) Grants Program during 2019-20.

	<b>Project</b>	<b>Funding (ex GST)</b>
<b>1</b>	<b>The Trustee for Pitman Vision Investment Trust &amp; The trustee for Makesum Investments Trust</b> The Gerald Apartment Hotel Conference Facility	\$250,000
<b>2</b>	<b>The Trustee for The Calson Trust</b> Southerlys Lobster and Brewhouse	\$110,000
<b>3</b>	<b>Energy Farmers Australia Pty Ltd</b> Develop a market ready small scale gasifier and establish a bioenergy hub in Mid West WA	\$65,121
<b>4</b>	<b>Shire of Cue</b> Heydon Place Industrial Development	\$135,000
<b>5</b>	<b>Geraldton Fishermens Co-operative Ltd</b> Geraldton Fishing Boat Harbour Tourism Development	\$102,000
<b>6</b>	<b>4 Ways Pty Ltd</b> Innovative, integrated renewable water and power supply pilot to reduce the key growth constraint of Mid West horticulture producers, building capability and collaboration to service new and growing global markets	\$111,000
<b>7</b>	<b>City of Greater Geraldton</b> Night Laser Show at Wind on Water Festival	\$40,000
	<b>Total</b>	<b>\$813,121</b>

## Actual results versus budget targets

### Financial Targets

	2020 Target <sup>(1)</sup> \$000	2020 Actual \$000	Variation <sup>(2)</sup> \$000
Total cost of services (expense limit) (sourced from Statement of Comprehensive Income)	1,831	1,726	85
Net cost of services (sourced from Statement of Comprehensive Income)	1,831	1,746	85
Total equity (sourced from Statement of Financial Position)	1,655	1,800	145
Net increase/(decrease) in cash held (sourced from Statement of Cash Flows)	(202)	(38)	164
Approved salary expense level	199	149	50

Note:

1. As specified in the Budget Statements post Mid Year Review.
2. Actual financial performance is consistent to the budget with minor underspend.

Square Kilometre Array, Murchison  
Credit: Department of Commerce (fmr)

## Summary of Key Performance Indicators

The key effectiveness indicators measure the extent of impact of the delivery of services on the achievement of desired outcomes. The key efficiency indicators monitor the relationship between the services delivered and the resources used to produce the service.

### **Key Effectiveness Indicators**

The Commission's effectiveness indicators are typically measured through an annual client perceptions survey, conducted by independent market research company.

However, due to COVID-19 restrictions it was acknowledged that collecting 2019-20 information from stakeholders would be difficult. Under paragraph (3) (i) of Treasurer's Instruction 904 Key Performance Indicators, the Commission sought and was provided with a temporary exemption from the Under Treasurer from reporting the key effectiveness indicator in its 2019-20 annual report.

### **Key Efficiency Indicators**

Total actual costs for two of the three service areas were below target, with the fourth only slightly above. This is likely due mainly to DPIRD providing some services at no cost.

	Target	Actual	Variance
Service 1: Information and Advice			
Key Efficiency Indicators:			
Cost per client visit	\$260	\$142	\$118
Cost per client inquiry	\$100	\$55	\$45
Service 2: Investment Facilitation			
Key Efficiency Indicator:			
Average cost per project	\$65,000	\$52,579	\$12,421
Service 3: Infrastructure and Services Development in the Mid West			
Key Efficiency Indicator:			
Average cost per project	\$58,000	\$39,875	\$18,125



# DISCLOSURES AND LEGAL COMPLIANCE

## Financial Statements

### Certification of Financial Statements

For the reporting period ended 30 June 2020

The accompanying financial statements of the Mid West Development Commission have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2020 and the financial position as at 30 June 2020.

At the date of signing we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.



Michelle Kang  
Chief Finance Officer  
17 September 2020



Gavin Treasure  
Chief Executive Officer  
17 September 2020



Tim Glenister  
Chairman  
17 September 2020



**Statement of Comprehensive Income**  
**For the year ended 30 June 2020**

	Notes	2020 \$	2019 \$
<b>COST OF SERVICES</b>			
<b>Expenses</b>			
Employee benefits expense	2.1(a)	288,026	293,017
Supplies and services	2.3	1,302,646	1,523,544
Depreciation and amortisation expense	4.1, 4.2, 4.3	38,023	13,741
Finance costs	6.2	293	-
Grants and subsidies	2.2	116,442	663,806
Other expenses	2.3	311	213,025
<b>Total cost of services</b>		<u>1,745,741</u>	<u>2,707,133</u>
<b>Income</b>			
<b>Revenue</b>			
Other revenue	3.2	67	2,568
<b>Total revenue</b>		<u>67</u>	<u>2,568</u>
<b>Total income other than income from State Government</b>		<u>67</u>	<u>2,568</u>
<b>NET COST OF SERVICES</b>		<u>1,745,674</u>	<u>2,704,565</u>
<b>Income from State Government</b>			
Service Appropriation	3.1	249,000	242,000
Income Received from Other State Agencies	3.1	219,139	172,750
Resources received free of charge	3.1	1,090,865	1,374,589
<b>Total income from State Government</b>		<u>1,559,004</u>	<u>1,789,339</u>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>		<u>(186,670)</u>	<u>(915,226)</u>
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>			
Items not reclassified subsequently to profit or loss			
Changes in asset revaluation reserve		-	133,636
<b>Total other comprehensive income/(loss)</b>		<u>-</u>	<u>133,636</u>
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD</b>		<u>(186,670)</u>	<u>(781,590)</u>

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

**Statement of Financial Position**  
As at 30 June 2020

	Notes	2020 \$	2019 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	6.3	31,832	-
Restricted cash and cash equivalents	6.3	696,528	766,694
Receivables	5.1	3,941	109,490
<b>Total Current Assets</b>		<b>732,301</b>	<b>876,184</b>
<b>Non-Current Assets</b>			
Amounts receivable for services	5.2	153,000	153,000
Property, plant and equipment	4.1	2,017,948	2,029,112
Right-of-use assets	4.2	8,902	-
Intangible assets	4.3	15,665	-
<b>Total Non-Current Assets</b>		<b>2,195,515</b>	<b>2,182,112</b>
<b>TOTAL ASSETS</b>		<b>2,927,816</b>	<b>3,058,296</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	5.3	64,889	40,158
Lease liabilities	6.1	8,953	-
Employee related provisions	2.1(b)	94,246	71,740
<b>Total Current Liabilities</b>		<b>168,088</b>	<b>111,898</b>
<b>Non-Current Liabilities</b>			
Amounts due to the Treasurer	5.4	960,000	960,000
<b>Total Non-Current Liabilities</b>		<b>960,000</b>	<b>960,000</b>
<b>TOTAL LIABILITIES</b>		<b>1,128,088</b>	<b>1,071,898</b>
<b>NET ASSETS</b>		<b>1,799,728</b>	<b>1,986,398</b>
<b>EQUITY</b>			
Contributed equity	8.9	355,946	355,946
Reserves	8.9	1,279,125	1,279,125
Accumulated surplus	8.9	164,657	351,327
<b>TOTAL EQUITY</b>		<b>1,799,728</b>	<b>1,986,398</b>

The Statement of Financial Position should be read in conjunction with the accompanying notes.

**Statement of Changes in Equity**  
**For the year ended 30 June 2020**

	Notes	Contributed equity \$	Reserves \$	Accumulated surplus \$	Total equity \$
<b>Balance at 1 July 2018</b>		355,946	1,145,489	1,266,553	2,767,988
Deficit		-	-	(915,226)	(915,226)
Other comprehensive income		-	133,636	-	133,636
Total comprehensive income for the period	8.9	-	133,636	(915,226)	(781,590)
<b>Balance at 30 June 2019</b>		<u>355,946</u>	<u>1,279,125</u>	<u>351,327</u>	<u>1,986,398</u>
<b>Balance at 1 July 2019</b>		<b>355,946</b>	<b>1,279,125</b>	<b>351,327</b>	<b>1,986,398</b>
Deficit		-	-	(186,670)	(186,670)
Total comprehensive income for the period	8.9	-	-	(186,670)	(186,670)
<b>Balance at 30 June 2020</b>		<u><b>355,946</b></u>	<u><b>1,279,125</b></u>	<u><b>164,657</b></u>	<u><b>1,799,728</b></u>

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

**Statement of Cash Flows**  
**For the year ended 30 June 2020**

	Notes	2020 \$	2019 \$
<b>CASH FLOWS FROM STATE GOVERNMENT</b>			
Service appropriation		249,000	242,000
Income received from Other State Agencies		219,139	172,750
<b>Net cash provided by State Government</b>		<u>468,139</u>	<u>414,750</u>
<b>Utilised as follows:</b>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Employee benefits		(266,407)	(286,232)
Supplies and services		(217,343)	(214,936)
GST payments on purchases		(22,039)	(80)
Grants and subsidies		(92,442)	(663,806)
Other payments		(311)	(213,025)
<b>Receipts</b>			
GST receipts on sales		7,842	332
GST receipts from taxation authority		29,278	80
Other receipts		97,715	2,568
<b>Net cash used in operating activities</b>		<u>(463,707)</u>	<u>(1,375,098)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Payments</b>			
Purchase of non-current assets		(16,105)	(7,518)
<b>Net cash used in investing activities</b>		<u>(16,105)</u>	<u>(7,518)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Payments</b>			
Principal elements of lease payments		(26,368)	-
Finance costs		(293)	-
<b>Net cash used in financing activities</b>		<u>(26,661)</u>	<u>-</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(38,334)</b>	<b>(967,866)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>766,694</b>	<b>1,734,560</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	6.3	<u><u>728,360</u></u>	<u><u>766,694</u></u>

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

Mid West Development Commission – 30 June 2020

**Summary of Consolidated Account Appropriations**  
For the year ended 30 June 2020

	Budget estimate 2020 \$	Supple- mentary Funding 2020 \$	Revised Budget 2020 \$	Actual 2020 \$	Variance 2020 \$
<u>Delivery of Services</u>					
Amount Authorised by Other Statutes					
- <i>Salaries and Allowances Act 1975</i>	249,000	-	249,000	249,000	-
Total appropriations provided to deliver services	249,000	-	249,000	249,000	-
<b>GRAND TOTAL</b>	<b>249,000</b>	<b>-</b>	<b>249,000</b>	<b>249,000</b>	<b>-</b>

No supplementary income was received by the Commission.

## Notes to the financial statements

### 1. Basis of Preparation

The Commission is a WA Government entity and is controlled by the State of Western Australia, which is the ultimate parent. The Commission is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units.

A description of the nature of its operations and its principal activities have been included in the '**Overview**' which does not form part of these financial statements.

These annual financial statements were authorised for issue by the Accountable Authority of the Commission on 17 September 2020.

### Statement of Compliance

These general purpose financial statements have been prepared in accordance with:

- 1 The *Financial Management Act 2006 (FMA)*
- 2 The Treasurer's Instructions (**the Instructions or TI**)
- 3 Australian Accounting Standards (AASs) - Reduced Disclosure Requirements
- 4 Where appropriate, those **AAS** paragraphs applicable for not-for-profit entities have been applied.

The *Financial Management Act 2006* and the Treasurer's Instructions (the Instructions) take precedence over AASs. Several AASs are modified by the Instructions to vary application, disclosure format and wording. Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

### Basis of Preparation

These financial statements are presented in Australian dollars applying the accrual basis of accounting and using the historical cost convention. Certain balances will apply a different measurement basis (such as the fair value basis). Where this is the case the different measurement basis is disclosed in the associated note. All values are rounded to the nearest dollar.

### Judgements and Estimates

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements and estimates made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements and/or estimates are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances.

Significant judgements and estimates have been made to meet the requirements of the new standards AASB 16 and AASB 1058.

Refer to Note 8.2 for the impact of the initial adoption and the practical expedients applied in the initial recognition.

### Contributed Equity

AASB Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* requires transfers in the nature of equity contributions, other than as a result of a restructure of administrative arrangements, to be designated by the Government (the owner) as contributions by owners (at the time of, or prior, to transfer) before such transfers can be recognised as equity contributions. Capital appropriations have been designated as contributions by owners by TI 955 *Contributions by Owners made to Wholly Owned Public Sector Entities* and have been credited directly to Contributed Equity.

The transfers of net assets to/from other agencies, other than as a result of a restructure of administrative arrangements, are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal.

Notes to the financial statements

2. Use of Our Funding

Expenses incurred in the delivery of services

This section provides additional information about how the Commission's funding is applied and the accounting policies that are relevant for an understanding of the items recognised in the financial statements. The primary expenses incurred by the Commission in achieving its objectives and the relevant notes are:

	Notes	2020 \$	2019 \$
Employee benefits expenses	2.1(a)	288,026	293,017
Employee benefits provisions	2.1(b)	94,246	71,740
Grants and subsidies	2.2	116,442	663,806
Other expenditure	2.3	1,302,565	1,736,569

2.1. (a) Employee benefits expenses

	2020 \$	2019 \$
Wages and salaries	235,832	219,271
Superannuation	27,422	27,465
Other related expenses	24,772	46,281
<b>Total employee benefits expenses</b>	<b>288,026</b>	<b>293,017</b>
Add: AASB 16 Non-monetary benefits	26,712	-
<b>Net employee benefits</b>	<b>314,738</b>	<b>293,017</b>

**Employee Benefits:** Include wages, salaries and social contributions, accrued and paid leave entitlements and paid sick leave.

**Superannuation:** The amount recognised in profit or loss of the Statement of Comprehensive Income comprises employer contributions paid to the GSS (concurrent contributions), the WSS, the GESBs, or other superannuation funds.

**AASB 16 Non-monetary benefits:** Non-monetary employee benefits expenses, predominantly relate to the provision of Vehicle and Housing benefits are measured at the cost incurred by the Commission.

## Notes to the financial statements

## 2.1. (b) Employee Benefits Provision

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered up to the reporting date and recorded as an expense during the period the services are *delivered*.

	2020	2019
	\$	\$
<b>Current</b>		
<u>Employee benefits provisions</u>		
Annual leave <sup>(a)</sup>	27,687	17,982
Long service leave <sup>(b)</sup>	63,390	50,900
Deferred salary scheme <sup>(c)</sup>	1,919	1,919
	<u>92,996</u>	<u>70,801</u>
<u>Other provisions</u>		
Employment on-costs <sup>(d)</sup>	1,250	939
<b>Total current employee related provisions</b>	<u>94,246</u>	<u>71,740</u>
<b>Total employee related provisions</b>	<u>94,246</u>	<u>71,740</u>

(a) **Annual leave liabilities:** Classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period.

The provision for annual leave is calculated at the present value of expected payments to be made in relation to services provided by employees up to the reporting date.

(b) **Long service leave liabilities:** Unconditional long service leave provisions are classified as **current** liabilities as the Commission does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Pre-conditional and conditional long service leave provisions are classified as **non-current** liabilities because the Commission has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

The components of the long service leave liabilities are calculated at present value as the Commission does not expect to wholly settle the amounts within 12 months. The present value is measured taking into account the present value of expected future payments to be made in relation to services provided by employees up to the reporting date. These payments are estimated using the remuneration rate expected to apply at the time of settlement, discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

(c) **Deferred salary scheme liabilities:** Classified as current where there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period.

(d) **Employment on-costs:** The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments.

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'other expenses, Note 2.3 (apart from the unwinding of the discount (finance cost))' and are not included as part of the Commission's 'employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

## Notes to the financial statements

	2020	2019
	\$	\$
<b><u>Employment on cost provision</u></b>		
Carrying amount at start of year	939	1,363
Additional/(reversals of) provisions recognised	311	628
Payments/other sacrifices of economic benefits	-	(1,052)
<b>Carrying amount at end of period</b>	<b>1,250</b>	<b>939</b>

**Key sources of estimation uncertainty- long service leave**

Key estimates and assumptions concerning the future are based on historical experience and various other factors that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Several estimates and assumptions are used in calculating the Commission's long service leave provision. These include:

- Expected future salary rates
- Discount rates
- Employee retention rates; and
- Expected future payments

Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision.

Any gain or loss following revaluation of the present value of long service leave liabilities is recognised as employee benefits expense.

**2.2. Grants and Subsidies**

	2020	2019
	\$	\$
<b><u>Recurrent</u></b>		
Royalties for Regions Fund	116,442	663,806
<b>Total grants and subsidies</b>	<b>116,442</b>	<b>663,806</b>

Transactions in which the Commission provides goods, services, assets (or extinguishes a liability) or labour to another party without receiving approximately equal value in return are categorised as 'Grant expenses'. Grants can either be operating or capital in nature.

Grants can be paid as general purpose grants which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants which are paid for a particular purpose and/or have conditions attached regarding their use.

Grants and other transfers to third parties (other than contribution to owners) are recognised as an expense in the reporting period in which they are paid or payable. They include transactions such as: grants, subsidies, personal benefit payments made in cash to individuals, other transfer payments made to public sector agencies, local government, non-government schools, and community groups.

## Notes to the financial statements

## 2.3. Other Expenditure

	2020	2019
	\$	\$
<b>Supplies and services</b>		
Board Fees	87,496	82,741
Communications	1,636	1,285
Consultants and contractors	90,415	7,583
Consumables	4,244	5,804
Equipment repairs and maintenance	2,442	2,478
Operating leases - vehicles	-	6,988
Travel	16,709	26,369
Other	8,839	15,707
Resources provided free of charge by DPIRD(a)	1,090,865	1,374,589
<b>Total supplies and services expense</b>	<b>1,302,646</b>	<b>1,523,544</b>
<b>Other expenses</b>		
Audit fees	-	10,945
Employment on-costs	311	(424)
Refund of revenue	-	202,504
<b>Total other expenses</b>	<b>311</b>	<b>213,025</b>
<b>Total other expenditure</b>	<b>1,302,957</b>	<b>1,736,569</b>

(a) Support Services provided by DPIRD to support the Commission's in the fulfilment of its statutory functions and obligations under the Regional Development Commission Act 1993. See note 3.1 Income from State Government.

**Supplies and services:**

Supplies and services are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any materials held for distribution are expensed when the materials are distributed.

**Other Expenses:**

Other operating expenditures generally represent the day-to-day running costs incurred in normal operations.

**Employee on-cost** includes workers' compensation insurance and other employment on-costs. The on costs liability associated with the recognition of annual and long service leave liabilities is included at Note 2.1 (b) Employee benefit provision. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

## Notes to the financial statements

## 3. Our Funding Sources

## How we obtain our funding

This section provides additional information about how the Commission obtains its funding and the relevant accounting policy notes that govern the recognition and measurement of this funding. The primary income received by the Commission and the relevant notes are:

	Notes	2020 \$	2019 \$
Income from State Government	3.1	1,559,004	1,789,339
Other revenue	3.2	67	2,568

## 3.1. Income from State Government

	2020 \$	2019 \$
Appropriations received during the period:		
Service Appropriation <sup>(a)</sup>	249,000	242,000
	<u>249,000</u>	<u>242,000</u>
Grants received from Other State Agencies	219,139	172,750
	<u>219,139</u>	<u>172,750</u>
Services received free of charge <sup>(b)</sup>		
Determined on the basis of the following estimates provided by agencies:		
Department of Primary Industries and Regional Development <sup>(c)</sup>	1,090,865	1,374,589
	<u>1,090,865</u>	<u>1,374,589</u>
<b>Total income from State Government</b>	<u>1,559,004</u>	<u>1,789,339</u>

(a) **Service Appropriations**, received from the Department of Treasury fund the net cost of services delivered. Appropriation revenue comprises a cash component only.

(b) **Assets or services** received free of charge or for nominal cost are recognised as revenue at fair value of the assets and/or services that can be reliably measured and which would have been purchased if they were not donated. Contributions of assets or services in the nature of contributions by owners are recognised direct to equity. The Commission received support services from Department of Primary Industries and Regional Development.

The application of AASB 15 and AASB 1058 from 1 July 2019 has no impact on the treatment of income from State Government.

## 3.2. Other Revenue

	2020 \$	2019 \$
Other revenue	67	2,568
	<u>67</u>	<u>2,568</u>

The application of AASB 15 and AASB 1058 from 1 July 2019 has no impact on the treatment of other revenue.

## Notes to the financial statements

## 4. Key Assets

## Assets the Commission utilises for economic benefit or service potential

This section includes information regarding the key assets the Commission utilises to gain economic benefits or provide service potential. The section sets out both the key accounting policies and financial information about the performance of these assets:

	Notes	2020 \$	2019 \$
Property, plant and equipment	4.1	2,017,948	2,029,112
Right-of-use assets	4.2	8,902	-
Intangibles	4.3	-	-
<b>Total key assets</b>		<b>2,026,850</b>	<b>2,029,112</b>

## 4.1. (a) Property, plant and equipment

Year ended 30 June 2020	Office equipment \$	Communications \$	Computer hardware \$	Furniture, fixtures and fittings \$	Land \$	Total \$
1 July 2019						
Gross carrying amount	22,551	10,287	26,143	88,384	2,000,000	2,147,365
Accumulated depreciation	(15,535)	(10,287)	(26,143)	(66,288)	-	(118,253)
Carrying amount at start of period	7,016	-	-	22,096	2,000,000	2,029,112
Additions						-
Impairment losses <sup>(a)</sup>						-
Revaluation increments/(decrements)						-
Depreciation	(1,625)	-	-	(9,539)	-	(11,164)
<b>Carrying amount at 30 June 2020</b>	<b>5,391</b>	<b>-</b>	<b>-</b>	<b>12,557</b>	<b>2,000,000</b>	<b>2,017,948</b>
Gross carrying amount	22,551	10,287	26,143	88,384	2,000,000	2,147,365
Accumulated depreciation	(17,160)	(10,287)	(26,143)	(75,827)	-	(129,417)
Accumulated impairment loss	-	-	-	-	-	-

(a) Impairment losses are recognised in the Statement of Comprehensive Income. Where an asset measured at cost is written-down to recoverable amount, an impairment loss is recognised in profit or loss. Where a previously revalued asset is written down to recoverable amount, the loss is recognised as a revaluation decrement in other comprehensive income.

## Initial recognition

Items of property, plant and equipment, costing \$5,000 or more are measured initially at cost. Where an asset is acquired for no or nominal cost, the cost is valued at its fair value at the date of acquisition. Items of property, plant and equipment and infrastructure costing less than \$5,000 are immediately expensed direct to the Statement of Comprehensive Income (other than where they form part of a group of similar items which are significant in total).

## Subsequent measurement

Subsequent to initial recognition as an asset, the revaluation model is used for the measurement of land and historical cost for all other property, plant and equipment. Land is carried at fair value less accumulated impairment losses. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Where market-based evidence is available, the fair value of land is determined on the basis of current market buying values determined by reference to recent market transactions.

In the absence of market-based evidence, fair value of land is determined on the basis of existing use. This normally applies where land use is restricted. Fair value for restricted use land is determined by comparison with market evidence for land with similar approximate utility (high restricted use land) or market value of comparable unrestricted land (low restricted use land).

## Notes to the financial statements

**Land** is independently valued annually by the Western Australian Land Information Authority (Valuations and Property Analytics) and recognised annually to ensure that the carrying amount does not differ materially from the asset's fair value at the end of the reporting period.

Land was revalued as at 1 July 2019 by the Western Australian Land Information Authority (Valuation Services). The valuations were performed during the year ended 30 June 2020 and recognised at 30 June 2020. In undertaking the revaluation, fair value was determined by reference to market values for land: \$2,000,000 (2019: \$2,000,000). At reporting date, the Commission had agreed in principle to contribute its land to the Stage Two development of the Batavia Cost Marina to Landcorp. If this occurs the Commission's associated borrowing from Treasury (\$960,000) will be repaid by the project.

### 4.1. (b) Depreciation and impairment

#### Charge for the period

	2020	2019
	\$	\$
<b>Depreciation</b>		
Office equipment	1,625	502
Furniture, fixtures and fittings	9,539	8,838
<b>Total depreciation for the period</b>	<b>11,164</b>	<b>9,340</b>

Please refer to note 4.3 (b) for guidance in relation to the impairment assessment that has been performed for intangible assets.

#### Finite useful lives

All infrastructure, property, plant and equipment having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits. The exceptions to this rule include items under operating leases, assets held for sale, land and investment properties.

Depreciation is generally calculated on a straight line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

<b>Asset</b>	<b>Useful life: years</b>
Plant and equipment	10 to 15 years
Office equipment	5 years
Software <sup>(a)</sup>	3 to 5 years

(a) *Software that is integral to the operation of related hardware.*

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments should be made where appropriate.

Land which is considered to have an indefinite life, is not depreciated. Depreciation is not recognised in respect of this asset because their service potential has not, in any material sense, been consumed during the reporting period.

#### Impairment

Non-financial assets, including items of property, plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised.

Where an asset measured at cost is written down to its recoverable amount, an impairment loss is recognised through profit or loss.

Where a previously revalued asset is written down to its recoverable amount, the loss is recognised as a revaluation decrement through other comprehensive income.

As the Commission is a not-for-profit entity, unless a specialised asset has been identified as a surplus asset, the recoverable amount of regularly revalued specialised assets is anticipated to be materially the same as fair value.

## Notes to the financial statements

If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, where the replacement cost is falling or where there is a significant change in useful life. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of the asset's future economic benefits and to evaluate any impairment risk from declining replacement costs.

### 4.2. (a) Right-of-use assets

Year ended 30 June 2020	Residential accommodation \$	Vehicles \$	Total \$
<b>1 July 2019</b>			
Gross carrying amount	-	-	-
Accumulated amortisation	-	-	-
<b>Carrying amount at start of period</b>	<b>-</b>	<b>-</b>	<b>-</b>
Recognition of right-of-use asset on initial application of AASB 16	<b>8,164</b>	<b>6,568</b>	<b>14,732</b>
Adjusted balance at 1 July 2019	<b>8,164</b>	<b>6,568</b>	<b>14,732</b>
Additions	<b>20,589</b>		<b>20,589</b>
Disposals	-		-
Transfers			-
Impairment loss			-
Depreciation	<b>(20,632)</b>	<b>(5,787)</b>	<b>(26,419)</b>
<b>Carrying amount at 30 June 2020</b>	<b>8,121</b>	<b>781</b>	<b>8,902</b>
Gross carrying amount	<b>20,589</b>	<b>6,568</b>	<b>27,157</b>
Accumulated depreciation	<b>(12,468)</b>	<b>(5,787)</b>	<b>(18,255)</b>
Accumulated impairment loss	-	-	-

#### Initial recognition

Right-of-use assets are measured at cost including the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs, including dismantling and removing the underlying asset.

#### Subsequent Measurement

The cost model is applied for subsequent measurement of right-of-use assets, requiring the asset to be carried at the cost less any accumulated depreciation and accumulated impairment losses and adjusted for any re-measurement of lease liability.

## Notes to the financial statements

**Depreciation and impairment of right-of-use assets**

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets.

If ownership of the leased asset transfers to the Commission at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets are tested for impairment when an indication of impairment is identified. The policy in connection with testing for impairment of outlined in note 4.1(b).

**4.2. (b) Depreciation charge of right-of-use assets**

	2020 \$	2019 \$
Residential Accommodation	20,632	-
Vehicles	5,787	-
<b>Total right-of-use asset depreciation</b>	<u>26,419</u>	<u>-</u>
Lease interest expense (included in Finance Cost)	293	-

The total cash outflow for leases in 2019-20 was \$26,094.

*The Commission's leasing activities for and how these are accounted for:*

The Commission has leases for vehicles.

The Commission has also entered in a Memorandum of Understanding Agreements (MOU) with the Department of Finance for the leasing of office accommodation. These are not recognised under AASB 16 because of substitution rights held by the Department of Finance and are accounted for as an expense incurred.

Up to the 30 June 2019, the Commission classified lease as either finance leases or operating leases, From the 1 July, the Department recognised leases as right-of-assets and associated leases liabilities in the Statement of Financial Position.

The corresponding leases liabilities in relation to these right-of-use assets have been disclosed in note 6.1.

**4.3 (a) Intangibles**

Year ended 30 June 2020	Computer software \$	Total \$
<b>1 July 2019</b>		
Gross carrying amount	14,382	14,382
Accumulated depreciation	(14,382)	(14,382)
Carrying amount at start of period	<u>-</u>	<u>-</u>
Additions	16,105	16,105
Disposals (written down value)	-	-
Revaluation increments/(decrements)	-	-
Amortisation	(440)	(440)
<b>Carrying amount at 30 June 2020</b>	<u>15,665</u>	<u>15,665</u>
Gross carrying amount	16,105	16,105
Accumulated depreciation	(440)	(440)
Accumulated impairment loss	-	-

## Notes to the financial statements

### Initial recognition

Acquisitions of intangible assets costing \$5,000 or more and internally generated intangible assets costing \$50,000 or more that comply with the recognition criteria as per AASB 138.57 (as noted below), are capitalised.

Costs incurred below these thresholds are immediately expensed directly to the Statement of Comprehensive Income.

Intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

### Subsequent measurement

The cost model is applied for subsequent measurement of intangible assets, requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

#### 4.3 (b) Amortisation and impairment

	2020 \$	2019 \$
<b>Amortisation</b>		
Computer software	440	4,401
<b>Total amortisation for the period</b>	<u>440</u>	<u>4,401</u>

As at 30 June 2020 there were no indications of impairment to intangible assets.

The Commission held no goodwill or intangible assets with an indefinite useful life during the reporting period. At the end of the reporting period there were no intangible assets not yet available for use.

Amortisation of finite life intangible assets is calculated on a straight line basis at rates that allocate the asset's value over its estimated useful life. All intangible assets controlled by the Commission have a finite useful life and zero residual value. Estimated useful lives are reviewed annually.

The estimated useful lives for each class of intangible asset are:

<b>Asset</b>	<b>Useful life: years</b>
Software <sup>(a)</sup>	3 to 5 years
Website costs	3 to 5 years

(a) *Software that is not integral to the operation of any related hardware.*

### Impairment of intangible assets

Intangible assets with finite useful lives are tested for impairment annually or when an indication of impairment is identified.

The policy in connection with testing for impairment is outlined in note 4.1.

### Computer Software

Software that is an integral part of the related hardware is recognised as part of the tangible asset. Software that is not an integral part of the related hardware is recognised as an intangible asset. Software costing less than \$5,000 is expensed in the year of purchase.

### Website costs

Website costs are expensed when incurred unless they directly relate to the acquisition or development of an intangible asset. In this instance they may be capitalised and amortised. Generally, costs in relation to feasibility studies during the planning phase of a website, and ongoing costs of maintenance during the operating phase are expensed. Costs incurred in building or enhancing a website that can be reliably measured, are capitalised to the extent that they represent probable future economic benefits.

## Notes to the financial statements

## 5. Other Assets and Liabilities

This section sets out those assets and liabilities that arose from the Commission's controlled operations and includes other assets utilised for economic benefits and liabilities incurred during normal operations:

	Note	2020 \$	2019 \$
Receivables	5.1	3,941	109,490
Amounts receivable for services	5.2	153,000	153,000
Payables	5.3	64,889	40,158
Amounts due to Treasurer	5.4	960,000	960,000

## 5.1. Receivables

	2020 \$	2019 \$
<b>Current</b>		
GST receivable	2,452	10,353
Receivables	1,489	99,137
<b>Total current</b>	<b>3,941</b>	<b>109,490</b>

The Commission does not hold any collateral or other credit enhancements as security for receivables.

Receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

## 5.2. Amounts receivable for services

	2020 \$	2019 \$
Non-current	153,000	153,000
	<b>153,000</b>	<b>153,000</b>

**Amounts receivable for services** represent the non-cash component of service appropriations. It is restricted in that it can only be used for asset replacement or payment of leave liability. Amounts receivable for services are considered not impaired (ie. there is no expected credit loss).

## 5.3. Payables

	2020 \$	2019 \$
<b>Current</b>		
Accrued salaries	-	887
Accrued expenses	38,157	15,873
Trade payables	26,732	23,398
<b>Total current</b>	<b>64,889</b>	<b>40,158</b>

**Payables** are recognised at the amounts payable when the Commission becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as settlement is generally within 30 days.

**Accrued salaries** represent the amount due to staff but unpaid at the end of the reporting period. Accrued salaries are settled within a fortnight of the reporting period end. The Commission considers the carrying amount of accrued salaries to be equivalent to its fair value.

The accrued salaries suspense account (See Note 6.3 'Restricted cash and cash equivalents') consists of amounts paid annually, from Commission appropriations for salaries expense, into a Treasury suspense account to meet the additional cash outflow for employee salary payments in reporting periods with 27 pay days instead of the normal 26. No interest is received on this account.

Notes to the financial statements

5.4. Amounts due to Treasurer

	2020	2019
	\$	\$
<b>Non-Current</b>		
Amount due to the Treasurer	<b>960,000</b>	960,000
<b>Balance at end of year</b>	<b>960,000</b>	960,000

A liability of \$5,000,000 relating to capital works at the Geraldton Foreshore and Marina was transferred to the Geraldton Mid West Development Authority (now the Mid West Development Commission) by the Department of Marine and Harbours on 30 June 1993. Since that time repayments totalling \$4,040,000 have been made to the consolidated fund thereby reducing the outstanding indebtedness to \$960,000. The loan is interest free and has no set repayment terms. Accordingly it has been carried at face value. At reporting date, the Commission had agreed in principle to contribute its land to the Stage Two development of the Batavia Cost Marina to Landcorp. If this occurs the Commission's associated borrowing from Treasury (\$960,000) will be repaid by the project.

## Notes to the financial statements

## 6. Financing

This section sets out the material balances and disclosures associated with the financing and cash flows of the Commission.

	Notes
Lease Liabilities	6.1
Finance costs	6.2
Cash and cash equivalents	6.3
Commitments	6.4
Non-cancellable operating lease commitments	6.4.1

## 6.1. Lease Liabilities

(a) *The statement of financial position shows the following amounts relating to lease liabilities:*

	2020	2019
	\$	\$
Current	<u>8,953</u>	-
	<u>8,953</u>	-

(b) *The Commission's leasing activities and how these are accounted for.*

*Lessees were required to classify leases as either finance leases or operating leases until 30 June 2019. From 1 July 2019, at the commencement date, lessees are required to recognise leases as right-of-use assets and associated lease liabilities in the Statement of Financial Position*

*At the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Commission uses the incremental borrowing rate provided by Western Australia Treasury Corporation .*

*Lease payments included by the Commission as part of the present values calculation of lease liability include;*

- *Fixed payments (including in-substance fixed payments), less any lease incentives receivable;*
- *Variable lease payments that depend on an index or rate initially measured using the index or rate as at the commencement date;*
- *Amounts expected to be payable by the lessee under residual value guarantees*
- *The exercise price of purchase options (where these are reasonably certain to be exercised);*
- *Payments for penalties for terminating a lease, where the lease term reflects the Commission exercising an option to terminate the lease.*

(c) *The interest on the lease liability is recognised in profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Lease liabilities do not include any future changes in variable lease payments (that depend on an index or rate) until they take effect, in which case the lease liability is reassessed and adjusted against the right-of-use asset.*

(d) *Variable Lease payments*

*Variable lease payments that are dependent on sales are recognised in profit or loss in the period in which the condition that triggers those payment occurs.*

## Notes to the financial statements

## (e) Extension and termination options

Periods covered by extension or termination options are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

## (f) Short-term and low-value leases

Short-term leases are leases with a lease term of 12 months or less. Low-value assets are assets that are individually valued less than \$5,000 at cost. This excludes leases with another wholly-owned public sector entity lessor agency. These expenses are included within note 2.3 Other Expenditure.

**Subsequent Measurement**

Lease liabilities are measured by increasing the carrying amount to reflect interest on the lease liabilities; reducing the carrying amount to reflect the lease payments made; and remeasuring the carrying amount at amortised cost, subject to adjustments to reflect any reassessment or lease modification

**6.2. Finance costs**

	2020	2019
	\$	\$
Lease interest expense	293	-
	<u>293</u>	<u>-</u>

'Finance cost' includes the interest component of lease liability repayments.

**6.3. Cash and Cash Equivalents**

	2020	2019
	\$	\$
Cash and cash equivalents	31,832	-
Total cash and cash equivalents	<u>31,832</u>	<u>-</u>
Salaries and Allowances Act	25,757	
Batavia Coast Marina Redevelopment	475,534	475,534
Gascoyne Murchison Outback Pathways Project	1,435	1,435
Midwest Digital Economy Strategy	2,558	2,558
Pacific Flora 2004	3,091	3,091
Regional and Remote Renewable Energy Power Solutions Community Benefits Fund	85,599	85,599
Royalties for Regions Fund	102,555	198,477
Total restricted cash and cash equivalents	<u>696,528</u>	<u>766,694</u>
<b>Balance at end of period</b>	<u><b>728,360</b></u>	<u><b>766,694</b></u>

For the purpose of the statement of cash flows, cash and cash equivalent (and restricted cash and cash equivalent) assets comprise cash on hand.

**6.4. Commitments****Non-cancellable operating lease commitments**

	2020	2019
	\$	\$
Commitments for minimum lease payments are payable as follows:		
Within one year	-	26,984
Between one and five years	-	8,286
	<u>-</u>	<u>35,270</u>

These commitments are all GST inclusive.

From 1 July 2019, the Commission has recognised the right-of-use assets and corresponding lease liability for all non-cancellable operating lease commitments, apart from short term and low value leases. Refer to Note 6.2.

## Notes to the financial statements

## 7. Financial instruments and Contingencies

	Notes
Financial instruments	7.1
Contingent assets and liabilities	7.2

## 7.1. Financial Instruments

The carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are:

	2020	2019
	\$	\$
<b>Financial assets</b>		
Cash and cash equivalents	31,832	-
Restricted cash and cash equivalents	696,528	766,694
Receivables <sup>(a)</sup>	1,489	99,137
Amounts receivable for services	153,000	153,000
<b>Total financial assets</b>	<u>882,849</u>	<u>1,018,831</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	1,024,889	1,000,158
<b>Total financial liabilities</b>	<u>1,024,889</u>	<u>1,000,158</u>

(a) The amount of receivables excludes GST recoverable from the ATO (statutory receivable).

## 7.2. Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the statement of financial position but are disclosed and, if quantifiable, are measured at nominal value.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

There are no contingent assets to disclose.

There are no contingent liabilities to disclose.

## Notes to the financial statements

### 8. Other Disclosures

This section includes additional material disclosures required by accounting standards or other pronouncements, for the understanding of this financial report.

	Note
Events occurring after the end of the reporting period	8.1
Initial application of Australian Accounting Standards	8.2
Key management personnel	8.3
Related party transactions	8.4
Related bodies	8.5
Affiliated bodies	8.6
Special purpose accounts	8.7
Remuneration of auditors	8.8
Equity	8.9
Supplementary financial information	8.10
Explanatory statement	8.11

#### 8.1. Events occurring after the end of the reporting period

There were no events occurring after the reporting period date that impact on the financial statements.

#### 8.2. Initial application of Australian Accounting Standards

##### **AASB 15 – Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities**

AASB 15 *Revenue from Contracts with Customers* replaces AASB 118 *Revenue* and AASB 111 *Construction Contracts* for annual reporting periods on or after 1 July 2019. Under the new model, an entity shall recognise revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service and is based upon the transfer of control rather than transfer of risks and rewards.

AASB 15 focuses on providing sufficient information to the users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from the contracts with customers. Revenue is recognised by applying the following five steps:

- Identifying contracts with customers
- Identifying separate performance obligations
- Determining the transaction price of the contract
- Allocating the transaction price to each of the performance obligations
- Recognising revenue as each performance obligation is satisfied.

Revenue is recognised either over time or at a point in time. Any distinct goods or services are separately identified and any discounts or rebates in the contract price are allocated to the separate elements.

In addition, income other than from contracts with customers are subject to AASB 1058 income of Not-for-Profit Entities. Income recognition under AASB 1058 depends on whether such a transaction gives rise to liabilities or a contribution by owners related to an asset (such as cash or another asset) recognised by the Commission.

The Commission adopts the modified retrospective approach on transition to AASB 15 and AASB 1058. No comparative information will be restated under this approach and the Commission recognises the cumulative effect of initially applying the Standards as an adjustment to the opening balance of accumulated surplus/(deficit) at the date of initial application (1 July 2019).

Refer to Note 3.1, and 3.2 for the revenue and income accounting policies adopted from 1 July 2019.

There was no impact on retained earnings on 1 July 2019 as a result of adopting AASB 15 and AASB 1058.

## Notes to the financial statements

**AASB 16 – Leases**

From 1 July 2019, AASB 16 *Leases* supersedes AASB 117 *Leases*, Interpretation 4 *Determining whether an Arrangement contains a Lease*, Interpretation 115 *Operating Leases – Incentives* and Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. AASB 16 primarily affects lessee accounting and provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The main changes introduced by the new Standard include identification of lease within a contract and a new lease accounting model for lessees that require lessees to recognise all leases (operating and finance leases) on the Statement of Financial Position as a right-of-use asset and lease liability, except for short term leases (lease terms of 12 months or less at commencement date) and low-value assets (valued less than \$5,000) where the lessor is not a WA State Government agency. The operating lease and finance lease distinction for lessees no longer exists.

The Commission has applied the modified retrospective approach on initial adoption. As permitted under the specific transition provisions in the standard, comparatives have not been restated. Lease liabilities recognised are measured at present value of the remaining lease payments, discounted using the incremental borrowing rate. Upon initial application, the value of leased right-of-use assets are equal to the recognised leased liabilities.

The Commission is permitted on a lease-by-lease basis to apply the following practical expedients.

- (a) A single discount rate may be applied to a portfolio of leases with reasonably similar characteristics.
- (b) Commission relies on its assessment of whether leases are onerous applying AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* immediately before 1 July 2019 as an alternative to performing an impairment review, the Commission shall adjust the right-of-use asset at the date of initial application by the amount of any provision for onerous leases recognised in the statement of financial position immediately before the date of initial application.
- (c) Exclusion of initial direct costs from the measurement of right-of-use asset at the date of initial application.
- (d) Use of hindsight, such as in determining the lease term if the contract contains options to extend or terminate the lease.

AASB 16 takes into consideration all operating leases that were off balance sheet under AASB 117 and recognises:

- (a) Right of use assets and lease liabilities in the statement of financial position, initially measured at the present value of future lease payments, discounted using the incremental borrowing rate (2.5%) on 1 July 2019.
- (b) Depreciation of right-of-use assets and interest on lease liabilities in the statement of comprehensive income.
- (c) The total amount of cash paid as principal amount, which is presented in the cash flows from financing activities, and interest paid, which is presented in the cash flows from operating activities, in the statement of cash flows.

Measurement of lease liabilities:

	\$
Operating lease commitments disclosed as at 30 June 2019	35,270
Discounted using incremental borrowing rate at date of initial application	34,709
Add: Finance lease liabilities recognised as at 30 June 2019	-
(Less): Short-term leases not recognised as liability	-
(Less): Low-value leases not recognised as liability	-
<b>Lease liability recognised at 1 July 2019</b>	<b>34,709</b>
Current lease liabilities	25,801
Non-current lease liabilities	8,908

## Notes to the financial statements

### 8.3. Key management personnel

The Commission has determined key management personnel to include Chief Executive Officer, members of the accountable authority, senior officers of the Commission and the Minister that the Commission assists. The Commission does not incur expenditures to compensate Ministers and those disclosures may be found in the *Annual Report on State Finances*.

The total fees, salaries, superannuation, non-monetary benefits and other benefits for senior officers of the commission for the reporting period are presented within the following bands:

	2020	2019
<b>Compensation band (\$)</b>		
0 - 10,000	6	5
60,001 - 70,000	1	1
<b>Compensation of senior officers (\$)</b>		
250,001 - 260,000	-	1
290,001 – 300,000	1	-
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Short-term employee benefits	<b>332,707</b>	329,778
Post-employment benefits	<b>29,203</b>	26,641
Other long-term benefits	<b>22,932</b>	-
<b>Total compensation of key management personnel</b>	<b>384,842</b>	<b>356,419</b>

The total compensation includes the superannuation expense incurred by the Commission in respect of members of the Commission.

As of the first of July 2017, all Commission employees, except for the Chief Executive Officer, were transferred to the Department of Primary Industries and Regional Development (DPIRD). The disclosure for senior officers' compensation represents both the CEO's employee benefits met by the Commission and all other senior officers' employee benefits now met by DPIRD.

### 8.4. Related party transactions

The Commission is a wholly owned and controlled entity of the State of Western Australia. In conducting its activities, the Commission is required to pay various taxes and levies based on the standard terms and conditions that apply to all tax and levy payers to the State and entities related to State.

Related parties of the commission include:

- All senior officers and their close family members, and their controlled or jointly controlled entities;
- All cabinet ministers and their close family members, and their controlled or jointly controlled entities;
- Other departments and public sector entities, including related bodies included in the whole of government consolidated financial statements;
- Associates and joint ventures, that are included in the whole of government consolidated financial statements; and
- The Government Employees Superannuation Board (GESB).

### Material transactions with other related entities

Outside of normal citizen type transactions with the commission there were no other related party transactions that involved key management personnel and/or their close family members and/or their controlled (or Jointly controlled) entities.

### 8.5. Related bodies

The Mid West Development Commission had no related bodies.

### 8.6. Affiliated bodies

The Mid West Development Commission has no affiliated bodies.

## Notes to the financial statements

**8.7. Special purpose accounts**

The Mid West Development Commission has no special purpose accounts.

**8.8. Remuneration of auditors**

Remuneration paid or payable to the Auditor General in respect of the audit for the current financial year is as follows:

	2020 \$	2019 \$
Auditing the accounts, financial statement controls, and key performance indicators	25,000	25,000

**8.9. Equity**

	2020 \$	2019 \$
<b><u>Contributed equity</u></b>		
Balance at start of year	355,946	355,946
<b>Balance at end of period</b>	<u>355,946</u>	<u>355,946</u>
<b><u>Asset Revaluation surplus</u></b>		
Balance at start of period	1,279,125	1,145,489
Net revaluation increments/(decrements):		
Land		133,636
<b>Balance at end of period</b>	<u>1,279,125</u>	<u>1,279,125</u>
<b><u>Accumulated surplus</u></b>		
Balance at start of period	351,327	1,266,553
Result for the period	(186,670)	(915,226)
<b>Balance at end of period</b>	<u>164,657</u>	<u>351,327</u>
<b>Total equity at end of period</b>	<u>1,799,728</u>	<u>1,986,398</u>

**8.10. Supplementary financial information****(a) Write-offs**

There were no write-offs during the financial year.

**(b) Losses through theft, defaults and other causes**

There were no losses of public money and public and other property during the financial year.

**(c) Gift of public property**

There was no gift of public property during the financial year.

**8.11. Explanatory statement**

The Commission is exempt from TI 945 Explanatory Statement as their Total Cost of Services is below \$10 million for the two most recent consecutive comparative periods.



**London Bridge, Sandstone - part of the Murchison GeoRegion**

*Credit: Sean Scott*

## CERTIFICATION OF KEY PERFORMANCE INDICATORS

We hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Mid West Development Commission's performance, and fairly represent the performance of the Mid West Development Commission for the financial year ended 30 June 2020.



TIM GLENISTER  
CHAIRMAN  
17 September 2020



GAVIN TREASURE  
CHIEF EXECUTIVE OFFICER  
17 September 2020



## RELATIONSHIP TO GOVERNMENT GOALS

The Government's desired outcome from the activities of the Mid West Development Commission (MWDC) is the development and promotion of the Mid West region. The Commission achieves this outcome by providing information and advice on regional development activities, providing investment facilitation, and assisting with the development of infrastructure and services within the Mid West Region.

### 1. Key Effectiveness Indicators

The Commission's measures its effectiveness indicators through an annual client perceptions survey, conducted by an independent market research company. MWDC uses this information to assess the effectiveness of its contact with businesses and the benefits derived by clients.

Due to COVID-19 restrictions, and pursuant to Treasurer's instruction (TI) 904 para (3)(i) the Commission sought and obtained an exemption from reporting the key effectiveness indicator for the 2019-20 financial year.

The Commission works to develop and support an environment conducive to the balanced economic and social development of the Mid West region. The Commission's success at this results in positive client impacts including helping to reduce obstacles to growth, develop new business opportunities, increase trade activity and retain staff / expand employment opportunities.

Accordingly, in prior years, clients were asked a number of questions relating to business development facilitated by their contact with the Commission. Findings summarised below:

Survey Question	Actual 2015-16	Actual 2016-17	Actual 2017-18	Actual 2018-19	Target 2019-20	Actual 2019-20
Reduced obstacles to growth	44%	47%	45%	48%	NA	NA
Developed new business opportunities	57%	63%	67%	63%	NA	NA
More trade activity	28%	33%	36%	31%	NA	NA
Retention of staff / expansion of employment opportunities	30%	34%	37%	33%	NA	NA

#### Comments

Due to COVID-19 restrictions and pursuant to a Treasury exemption from reporting the key effectiveness indicator there are no reportable results for the 2019-20 financial period.

## 2. Key Efficiency indicators

The commission calculates its efficiency indicators from net cost for each of the service areas after excluding grants and subsidies expense. The costs for each service area comprise both direct expenditure and an allocation of general costs and overheads. The total cost of all Services (including Grants and Subsidies expense) is reported in the Commission's Statement of Comprehensive Income as the Total Cost of Services.

### 2.1 Service 1 – Information and Advice

#### Service Description

To contribute to economic growth and employment by developing strategic partnerships between government, business and the community, providing a central point of coordination and contact and by raising awareness of the Mid West region.

Performance Measures	Actual 2016-17	Actual 2017-18	Actual 2018-19	Target 2019-20	Actual 2019-20
Cost per client inquiry	\$82	\$100	\$74	\$100	\$55
Cost per client visit	\$331	\$268	\$199	\$260	\$144

Note:

1. Target and actual total costs used to calculate unit costs exclude Grants and Subsidies Expense. The target assumed 50% of the Total cost of Service apportioned to each of Client Visits and Client Contact. Additionally, a client visit takes 2.6 times more time than a client inquiry.

#### Comments

The actual total cost of service in 2019-20 differs to target mainly due a 24% reduction in the total cost of service as a result of reduction in FTE staff employed due to a restructure of Commission's resources, combined with a 71% increase in client visits responding to COVID-19 (note. client visits include virtual meetings). Overall, the commission achieved a 45% reduction in the cost per service when compared to target and a 23% reduction compared to the prior year.

The continued increase in client visits reflects the Commission's higher level of engagement with clients throughout the region.

## 2.2 Service 2 – Investment Facilitation

### Service Description

To create a business environment within the Mid West region that has a diverse economic base and is attractive to investors.

Performance Measures	Actual 2016-17	Actual 2017-18	Actual 2018-19	Target 2019-20	Actual 2019-20
Average cost per project	\$81,778	\$92,564	\$52,579	\$65,000	\$52,200

Note:

1. Target and actual total costs used to calculate unit costs exclude Grants and Subsidies Expense.

### Comments

Total cost of Investment Facilitation services for 2019-20 was 33% below the target while the commission facilitated 17% less projects. This is mainly due to reduced activity given COVID-19 impact, constraints and proponents unable or unwilling to proceed. The average cost per project was 20% lower than target.

## 2.3 Service 3 – Infrastructure and Services Development in the Mid West

### Service Description

To assist the development of infrastructure and services and long term economic development strategies for the Mid West region.

Performance Measures	Actual 2016-17	Actual 2017-18	Actual 2018-19	Target 2019-20	Actual 2019-20
Average cost per project	\$46,075	\$61,085	\$64,653	\$58,000	\$39,875

Note:

1. Target and actual total costs and unit costs have been adjusted to exclude Grants and Subsidies Expense.

### Comments

Total cost of Infrastructure and Services Development services for 2019-20 was 26% below the target while the Commission facilitated 8% more projects. The average cost per project was 31% lower than target.



## Auditor General

### INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

### MID WEST DEVELOPMENT COMMISSION

#### Report on the financial statements

##### **Opinion**

I have audited the financial statements of the Mid West Development Commission which comprise the Statement of Financial Position as at 30 June 2020, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, Summary of Consolidated Account Appropriations and Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Mid West Development Commission for the year ended 30 June 2020 and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

##### **Basis for opinion**

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of my report. I am independent of the Commission in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial statements. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

##### **Responsibility of the Board for the financial statements**

The Board is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Commission.

##### **Auditor's responsibility for the audit of the financial statements**

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A further description of my responsibilities for the audit of the financial statements is located on the Auditing and Assurance Standards Board website at [https://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of my auditor's report.

## **Report on controls**

### ***Opinion***

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Mid West Development Commission. The controls exercised by the Commission are those policies and procedures established by the Board to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions (the overall control objectives).

My opinion has been formed on the basis of the matters outlined in this report.

In my opinion, in all material respects, the controls exercised by the Mid West Development Commission are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2020.

### ***The Board's responsibilities***

The Board is responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities are in accordance with the *Financial Management Act 2006*, the Treasurer's Instructions and other relevant written law.

### ***Auditor General's responsibilities***

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and were implemented as designed.

An assurance engagement to report on the design and implementation of controls involves performing procedures to obtain evidence about the suitability of the design of controls to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including the assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### ***Limitations of controls***

Because of the inherent limitations of any internal control structure, it is possible that, even if the controls are suitably designed and implemented as designed, once the controls are in operation, the overall control objectives may not be achieved so that fraud, error, or non-compliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

## Report on the key performance indicators

### **Opinion**

I have undertaken a reasonable assurance engagement on the key performance indicators of the Mid West Development Commission for the year ended 30 June 2020. The key performance indicators are the Under Treasurer approved key effectiveness indicators and key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of the Mid West Development Commission are relevant and appropriate to assist users to assess the agency's performance and fairly represent indicated performance for the year ended 30 June 2020.

### **Matter of Significance**

The Commission received an exemption from the Under Treasurer from reporting the following key effectiveness indicator in its annual report for the year ended 30 June 2020:

- Clients agreeing that the Commission reduced obstacles to economic growth and employment
- Clients agreeing that the Commission contributed to the development of a new business opportunity
- Clients agreeing that the Commission contributed to more trade activity
- Clients agreeing that the Commission contributed to the retention of staff and/or expansion of employment opportunities

The exemption was approved due to the difficulty in collecting information from stakeholders because of COVID-19 restrictions. Consequently, this KPI will not be reported. My opinion is not modified in respect of this matter.

### **The Board's responsibility for the key performance indicators**

The Board is responsible for the preparation and fair presentation of the key performance indicators in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions and for such internal control as the Board determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the Board is responsible for identifying key performance indicators that are relevant and appropriate, having regard to their purpose in accordance with Treasurer's Instruction 904 *Key Performance Indicators*.

### **Auditor General's responsibility**

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the entity's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 904 for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.

I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

**My independence and quality control relating to the reports on controls and key performance indicators**

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Matters relating to the electronic publication of the audited financial statements and key performance indicators**

This auditor's report relates to the financial statements and key performance indicators of the Mid West Development Commission for the year ended 30 June 2020 included on the Commission's website. The Commission's management is responsible for the integrity of the Commission's website. This audit does not provide assurance on the integrity of the Commission's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to contact the entity to confirm the information contained in the website version of the financial statements and key performance indicators.



DON CUNNINGHAME  
ASSISTANT AUDITOR GENERAL FINANCIAL AUDIT  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
18 September 2020

## MINISTERIAL DIRECTIVES

No Ministerial Directives were received during the financial year.

## OTHER FINANCIAL DISCLOSURES

### Pricing policies of services provided

The Commission does not charge for services and this reporting requirement, therefore, does not apply.

### Capital works

#### *Capital projects incomplete*

The Commission did not have any incomplete capital works projects at the end of 2019-20.

#### *Capital projects complete*

The Commission did not complete any capital works projects during 2019-20.

## Employment and industrial relations

### *Staff profile*

Due to Machinery of Government changes, the Commission's employees excluding the Chief Executive Officer (CEO) were transferred to DPIRD effective 1 July 2017. By way of 'Resources received free of charge', the Commission was provided with resources to deliver the 2019 20 Business Plan. Employees transferred to DPIRD are included in the DPIRD annual report for 2019-20. The Commission relocated to government owned premises in May 2018.

A Service Level Agreement (SLA) was established between DPIRD and all RDCs to define the services that DPIRD will provide to RDCs and in so doing, clarify aspects of the inter-relationship of the two primary entities. DPIRD remains employer of all staff, but day-to-day operational responsibility for staff working in RDCs has been formally delegated to the RDC CEOs. CEOs now have greater role in staff recruitment processes.

	2019-20	2018-19
Full-time permanent	1.0	1.0
Full-time contract	0	0
Part-time measured on an FTE basis	0	0
On secondment	0	0
	<b>1.0</b>	<b>1.0</b>

## Staff development

The Commission has a commitment to the development of its employees. Our strategy is to build a highly skilled and professional workforce and as a result we are building a strong and capable team with the ability to adapt to the growth and diversity being experienced in the Mid West. Various industry specific training and professional development was undertaken as opportunity arose.

## Workers compensation

No workers compensation claims have been made within the Commission during 2019-20.

## GOVERNANCE DISCLOSURES

### Contracts with senior officers

At the date of reporting, other than normal contracts of employment of service, no senior officers, or firms of which senior officers are members, or entities in which senior officers have substantial interests, had any interests in existing or proposed contracts with the Commission and senior officers.

### Unauthorised use of credit cards

Following Machinery of Government Changes, only the Chief Executive Officer and the Executive Assistant to the Chief Executive Officer of the Commission hold corporate credit cards where their functions warrant usage of this facility. During 2019-20 there were no instances of inadvertent corporate credit card utilisation for purchases of a private nature.

	2019-20 \$
Aggregate amount of personal use expenditure for the reporting period	-
Aggregate amount of personal use expenditure settled by the due date (within 5 working days)	-
Aggregate amount of personal use expenditure settled after the period (after 5 working days)	-
Aggregate amount of personal use expenditure outstanding at balance date	-

### Insurance premiums paid

The amount of any insurance premium paid to indemnify any 'director' (as defined in Part 3 of the Statutory Corporations (Liability of Directors) Act 1996) against a liability incurred under sections 13 or 14 of that Act. DPIRD paid \$1,119.02 in premiums to indemnify MWDC directors (as defined in Part 3 of the Statutory Corporations (Liability of Directors) Act 1996), against a liability incurred under sections 13 or 14 of that Act.

## BOARD AND COMMITTEE REMUNERATION

In compliance with Premier's Circular 2010/02 – State Government Boards and Committees, the Commission provided the following remuneration to its Board members during 2019-20.

Position	Name	Type of remuneration	Period of membership	Gross / actual remuneration 2019-20 financial year
Chair	Mr Todd West	Fee Superannuation	1 July 2019 - 30 June 2020	\$60,384 \$5,782
Member	Ms Lara Dalton	Fee Superannuation	1 July 2019 - 30 June 2020	\$8,424 \$804
Member	Cr Karen Chappel	Fee and motor vehicle allowance Superannuation	1 July 2019 - 30 June 2020	\$3,478 \$330
Member	Mr Craig Patterson	Fee Superannuation	1 July 2019 - 30 June 2020	\$3,075 \$292
Member	Cr Carol Minney	Motor vehicle allowance	1 July 2019 - 30 June 2020	\$3,159.48
Member	Cr Shane Van Styn	Fee Superannuation	1 July 2019 – 19 December 2019	\$2,672 \$254
Member	Cr Emma Foulkes-Taylor	Fee and motor vehicle allowance Superannuation	19 December 2019 – 30 June 2020	\$1,831 \$174
			<b>Total</b>	<b>\$90,660</b>

The total remuneration includes the superannuation expense incurred by the Commission in respect of members of the accountable authority.

## OTHER LEGAL REQUIREMENTS

### Expenditure on advertising, market research, polling and direct mail

In compliance with section 175ZE of the Electoral Act 1907, the Commission incurred the following expenditure in advertising, market research, polling, direct mail and media advertising.

Total expenditure for 2019-20 was \$6,537 as follows:

Class of expenditure		Organisation	Total expenditure 2019-20 (inc GST)
Advertising agencies	\$2,707	The West Australian Newspapers	\$2,707
Market research agencies	\$3,830	Perth Market Research	\$3,830
Polling organisations	Nil		Nil
Direct mailing organisations	Nil		Nil

**Kalbarri Skywalks, Kalbarri National Park**

*Credit: Department of Biodiversity, Conservation and Attractions*



## Disability access and inclusion plan outcomes

In 2007 the Commission, in consultation with the Disability Services Commission and the public, developed and submitted a Disability Action and Inclusion Plan (DAIP) in compliance with the 2004 amendment to the Disability Services Act 1993. It should also be noted that DPIRD have developed their DAIP for the period 2018-2023, which covers the entire Department, including the Regional Development Commissions.

The existing MWDC 2017-21 DAIP was successfully implemented and the following principles have been followed during 2019-20 to continue to address the seven desired DAIP outcomes:

1. People with disabilities have the same opportunities as other people to access the services of, and any events organised by the Commission.
  - (i) Assessment of all Commission events as to their accessibility by all people.
  - (ii) Amended all grant agreements and contracts to include reference to the Commission's DAIP.
  - (iii) Reviewed and modified policies to include relevant strategies under the DAIP.
2. People with disabilities will have the same opportunities as other people to access the buildings and other facilities of the Commission.
  - (i) Increased staff awareness of issues of accessibility.
3. People with disabilities receive information from the Commission in a format that will enable them to access the information as readily as other people are able to access it.
  - (i) Provision of all communications in clear and concise language, avoiding jargon.
4. People with disabilities receive the same level and quality of service from the staff of the Commission as other people receive from the Commission.
  - (i) Disability Services Commission information circulated to staff when issued and employee / Board member inductions cover awareness of MWDC DAIP.
5. People with disabilities have the same opportunities to make complaints to the Commission.
  - (i) Alternative formats provided wherever the Commission's grievance procedures are displayed.
6. People with disabilities will have the same opportunities as other people to participate in any public consultation by the Commission.
  - (i) All venues assessed for accessibility when arranging public consultation events.
  - (ii) Consideration to be made whether any target groups would benefit from public consultation to encourage participation.
  - (iii) Ongoing assessment of accessibility of venues when arranging public consultation events.
7. Employment – People with disability have the same opportunities as other people to obtain and maintain employment with a public sector.
  - (i) Vacancy advertisements now include a statement that MWDC is an equal opportunity employer.
  - (ii) Special needs of new employees are identified and any adjustments will be made to the workplace and work practices where necessary prior to and as soon after as can be reasonably expected after induction depending on the nature of the adjustments.

## Compliance with public sector standards and ethical codes

Public Sector Management Act Section 31(1):

1. In the administration of the Mid West Development Commission, I have complied with the Public Sector Standards in Human Resource Management, the Western Australian Public Sector Code of Ethics and our Code of Conduct.
2. I have put in place procedures designed to ensure such compliance and also conducted appropriate internal assessments to satisfy myself that the statement made in 1 is correct.
3. The applications made for breach of standards review and the corresponding outcomes for the reporting period are:

Number lodged: Nil

Number of breaches found, including details of multiple breaches per application: Nil

Number still under review: Nil

Gavin Treasure

Chief Executive Officer

17 September 2020

## Recordkeeping plans

As required by the State Records Act 2000, the Commission has an approved Records Keeping Plan (RKP).

Periodical record keeping training programs through the Commission's formal monthly staff meetings, as well as an induction program for new employees address the roles of staff and their responsibilities in regard to compliance with the Commission's RKP.

The Records Team within the Commission review the efficiency and effectiveness of its record keeping training program regularly, to ensure that key record systems objectives and record keeping practices are being met. A Commission Record Keeping Manual is in place to assist the Records Team to formalise and structure the training program for staff.

# GOVERNMENT POLICY REQUIREMENTS

## Substantive equality

As outlined in the Public Sector Commissioner's Circular 2009-23: Implementation of the Policy Framework for Substantive Equality, this reporting requirement only applies to participating agencies. The Commission is not a participant and this requirement, therefore, does not apply.

## Occupational Safety, Health and Injury Management

Following the creation of the new DPIRD, the Commission relocated to the former Department of Agriculture and Food WA offices in May 2018. Through representation on DPIRD's Regional Workplace Occupational Safety and Health (OSH) Committee, MWDC strives to ensure a safe working environment. OSH issues (incidents, risks and hazards) that cannot be resolved by staff in the first instance are reported to a manager or supervisor, and if necessary progressed through the 'resolution of issues' process (as per policy). OSH policies are continually reviewed and monitored as required by changing needs and working environment.

Staff are made aware of OSH policies and procedures at induction and there are continuing awareness sessions during monthly meetings as necessary.

The Mid West Development Commission is compliant with the injury management requirements of the Workers' Compensation and Injury Management Act 1981.

The Commission's annual performance report for 2019-20 against the following indicators:

Indicator	Target 2019-20	Actual 2019-20
Number of fatalities	Zero (0)	Zero (0)
Lost time injury/diseases (LTI/D) incidence rate	Zero (0)	Zero (0)
Lost time injury severity rate	Zero (0)	Zero (0)
Percentage of injured workers returned to work:		
(i) within 13 weeks	0%	0%
(ii) within 26 weeks	0%	0%
Percentage of managers trained in occupational safety, health and injury management responsibilities	≥80%	0%

## Government Building Training Policy

As outlined in the Public Sector Commissioner's Circular 2015-02: Government Building Training Policy this reporting requirement only applies to State Government building, construction and maintenance contracts that have a labour component of \$2 million and over. The Commission did not issue contracts in scope of the policy and is therefore not required to report against the policy.



**Wooleen Station, Murchison**  
*Credit: Sean Scott*

## CONTACT US

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**Abrolhos Islands**  
*Credit: Les Manlas*

